

OGC HAS REVIEWED.

28 August 1969

MEMORANDUM FOR: Legislative Counsel
THROUGH : DD/Pers/SP
FROM : Northwest Federal Credit Union
SUBJECT : Federal Tax Withholding on Dividend and Interest

Information has been received by the Northwest Federal Credit Union through financial circles and publications (D.C. League News-18 August 1969) that Senator Edward M. Kennedy served formal notice that he will propose an amendment to the tax reform bill to require financial institutions to withhold federal income tax on interest and dividends credited to savings accounts.

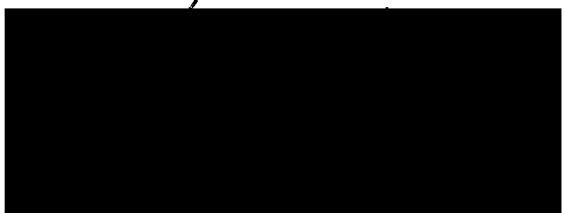
Financial institutions are now required to file an information return (1099) with the Treasury Department on an annual basis. The Northwest Federal Credit Union does not submit complete returns on all of its members through an arrangement with the Internal Revenue Service. (Ref: OGC 63-2704; OGC 64-0027; OGC 64-3535)

Should the above amendment become law as part of the tax reform bill--we may be required to re-study our commitments to the membership and Agency regarding disclosure of information on certain accounts.

Follow-up information on the progress of the amendment will be most helpful in our planning.

The cooperation, guidance, and counsel of your office will be most welcome and appreciated.

KW:kn



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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Federal Tax Withholding on Dividend and Interest

FROM: Gen. Man. 1 J 33 Hqs.		EXTENSION x7345	NO. DATE 28 August 1969
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS
	RECEIVED	FORWARDED	
1. DD/Pers/SP 5 E 67	29 AUG 1969		<p>Copy to [redacted]</p> <p>(O6C) FYI - advice.</p> <p>If this comes to pass would withholding create new type of problem that could not be handled by existing existing 1099 arrangement?</p> <p>4 Sept. [redacted]</p> <p>Orally responsible above that if this leg. gets enacted appropriate measure safeguarding CIA interest could be worked out with IRS and that he would next eminent meeting.</p> <p>Am</p>
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4. GLC LLM			
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(OBC) (FYI - advice -
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Lyle
4 Sept. [redacted]
orally responded
about that if this leg.
sets enacted appropriate
measures safeguarding CIA
interest could be worked out
such IRS and that he would
check out with IRS at
next convenient meeting.
Am